



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live

Frank O'Bannon
Governor

John M. Hamilton
Commissioner

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June 25, 1998

Carol Browner, Administrator
United States Environmental Protection Agency
Radiation and Air Docket and Information Center (6101)
Attention: Docket No. A-96-65
401 M Street SW
Room M-1500
Washington, DC 20460

Re: Supplemental Notice of Proposed
Rulemaking Regarding Regional
Transport of Ozone

Dear Ms.  Browner:

On November 7, 1997, the U.S. Environmental Protection Agency (EPA) published a proposal to reduce oxides of nitrogen (NOx) in 22 states to address regional ozone transport. Our comments today are in response to the May 11, 1998 Supplemental Notice of Proposed Rulemaking on that proposal.

Indiana is committed to meeting the new ozone health standard within Indiana and to remedy any significant impact of Indiana to other states' local air quality problems. We have already formed and are working with very active local ozone steering committees in each of seven metropolitan areas in Indiana at risk of not meeting the new ozone standard. These committees will help shape the area clean air plans due by 2000 or 2003. We have also already begun the technical work to provide guidance to the local communities and to support development of our plans.

Based on the science brought forward to date by EPA and the states, we are confident that when Indiana and our nearby neighbors solve our respective ozone problems, our contribution to downwind states will be insignificant. We are committed to solving ozone problems, to bring the health benefits Hoosiers expect and deserve. We are also committed to achieving this goal in a common sense, effective way.

EPA's proposal to address regional transport of ozone, which requires the equivalent of an 85% reduction in NOx from 1990 levels by the year 2002, is not a common sense, effective solution. We understand EPA's interest and responsibility in finishing quickly the job of meeting the new clean air health goals. This control level, though it ultimately may be needed for certain sources to assist in meeting the new ozone standard in individual states, goes beyond the level that can be demonstrated by any available science as needed to address the regional transport phenomenon. The proposed compliance date of 2002 for that level of control is extremely aggressive and may risk power reliability and cause onerous and expensive disruptions as plants across the country pursue limited technological and human resources to accomplish the improvements. Such a level and timeframe would require retrofitting a large number of sophisticated control devices on electric power plants throughout the eastern United States. We believe EPA's 2002 timeframe strains the ability of the electric utility industry and related businesses to complete this work responsibly. EPA also has not investigated the critical question whether electricity reserves are available to compensate for downtime associated with the installation of a large number of control devices.

EPA's proposal goes beyond the steps necessary to address regional transport. It also would result in the imposition of a federal solution to the local air quality problems that remain after regional transport is minimized. The contents of the final local clean air plans are best determined by states.

Our recommended approach for remedying the ozone transport problem and ultimately solving the ozone air quality problems is included as Enclosure 1. Our approach calls for:

- * the equivalent of a 65% reduction for power plants from 1990 levels by the year 2003,
- * an effective, easy to implement regional NOx emission trading system,
- * air quality assessments for the new ozone standard by the year 2001,
- * complete air quality plans by the year 2003, and
- * EPA action in the event of failure by the state to perform.

By focusing on greatly reducing regional transport through near-term NOx reductions from power plants and large industrial boilers and then crafting final plans as soon as practical, our approach will result in clean air on the same schedule as EPA's and assure that each community and state has the ability to select the right mix of pollution reductions to do the job. By assuring that immediate steps are taken to remedy any significant contribution from our state and others to downwind states, which we believe is the purpose of EPA's proposal, we then leave the next steps to the states to complete the job of meeting the ozone standards by or ahead of schedule.

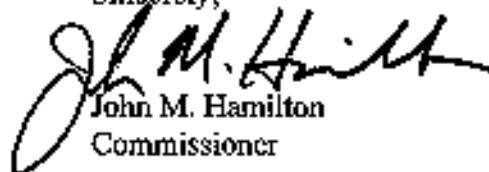
Our technical support and other comments on the supplemental notice of proposed rulemaking are included as Enclosure 2.

Carol Browner
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I urge EPA to consider our approach and comments seriously. They represent a common sense, effective and balanced way to meet the nation's clean air goals. The EPA proposal has prompted a welcome debate across the country on the best way to achieve clean air goals. States, the public, the private sector and the federal government do not all agree on the best approach. EPA should listen to the many comments that are received in response to the proposed rulemaking and fashion an approach that is workable and effective and assumes that states are fully prepared to take the steps needed to achieve clean air. EPA may ultimately take further action whenever a state is slow or ineffective in meeting clean air standards.

My staff and I are available to clarify or discuss our comments. I appreciate your leadership on clean air issues and am hopeful that EPA's final action will reflect the common sense that EPA seeks in implementing environmental statutes.

Sincerely,



John M. Hamilton
Commissioner

Enclosures